CITY OF REDMOND ORDINANCE NO. 2499

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, APPROVING TRANSFER OF CONTROL OF THE FRANCHISEE (VERIZON NORTHWEST INC.) FROM VERIZON COMMUNICATIONS INC. TO FRONTIER COMMUNICATIONS CORPORATION WITH CONDITIONS AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Redmond, Washington, has granted a cable television franchise ("Franchise") to Verizon Northwest Inc. ("Franchisee") which is an indirect wholly-owned subsidiary of Verizon Communications Inc. ("Verizon"); and

WHEREAS, Verizon has entered into an agreement with Frontier Communications Corporation ("Frontier") to effectuate a transfer of control of Franchisee from Verizon to Frontier ("Transfer"); and

WHEREAS, upon completion of the Transfer, Franchisee will become an indirect wholly owned subsidiary of Frontier and, as a result, control of the Franchisee will be transferred from Verizon to Frontier; and

WHEREAS, following the Transfer, Franchisee will continue to hold and be responsible for the performance of the Franchise; and

WHEREAS, Franchisee has requested that the City consent to the Transfer and, in accordance with the requirements of the Franchise and federal law, Verizon has filed an FCC Form 394 together with Exhibits and related materials (all hereinafter collectively the "Application") with the City; and

WHEREAS, the City examined the legal, financial, and technical qualifications of Frontier in order to consider and act upon the Transfer request and considered the comments of interested parties; and

WHEREAS, the City has relied upon the Application and supplemental written information provided by Frontier and Verizon; and

WHEREAS, the City is willing to consent to the Transfer, subject to the closing of the Transfer between Verizon and Frontier and the appropriate approvals by the Washington State Utilities and Transportation Commission and federal regulatory entities; and

WHEREAS, Franchisee has agreed to continue to unconditionally accept the terms of the existing Franchise and to comply with any other agreements existing between the Franchisee and the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND DO ORDAIN AS FOLLOWS:

Section 1. The City hereby consents to the Transfer in accordance with the terms of applicable law, subject to and contingent upon the following conditions:

- a. In all respects and without exception, Franchisee agrees to continue to abide by all terms of the existing Franchise and acknowledges that the transfer of control will not affect, diminish, impair or supersede the binding nature of the Franchise and any other valid ordinances, resolutions, and agreements applicable to the operation of the cable system in the City and Franchisee shall continue to meet its obligations under the Franchise. Franchisee agrees that subject to the Franchise, that Franchisee shall comply with all lawful and applicable provisions related to cable service of the Redmond Municipal Code and all related applicable federal and state laws, and lawful orders, contracts, agreements, commitments, side letter(s), Franchise amendments and regulatory actions.
- b. The City's consent to the transfer of control shall not be construed to constitute a waiver or release of any rights the City may have now or in the future under federal, state or local law, the Franchise, or any separate written agreements with the Franchisee. Franchisee shall remain responsible for any and all Franchise requirements (including but not limited to payment of Franchise fees and other amounts due under the Franchise, and indemnification of the City as provided in the Franchise) and non-compliance issues under the Franchise or any obligation that may now exist or may later be discovered to have

existed during the term of the Franchise, even if prior to the closing of this Transfer.

c. The Transfer between Frontier and Verizon shall be substantially and materially consistent with the Application and the supplemental information provided by Frontier and Verizon through the request for information process undertaken by the City.

In the event that the Transfer which is the Section 2. subject of this ordinance does not close for any reason; or in the event approval is not granted by the Washington State Utilities and Transportation Commission and appropriate federal regulatory entities, or in the event that the Transfer closes on substantially or materially different from the terms described in Application and supplemental the information provided by Frontier and Verizon that is relied upon by the City; or Franchisee does not accept each and every condition of the transfer of control required of it as set forth in this ordinance; then the consent provided for herein shall be null and void, and the City shall be deemed to have disapproved the transfer of control under the Franchise and federal law, and all remedies under the Franchise and applicable laws shall be available to the City. In the event the Transfer does not close before January 2012, Verizon and Frontier will provide notice of

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that event to the City and an update on the reasons for such a delay in closing or notice of the termination of the Transfer.

Section 3. By consenting to the transfer of control, the City does not waive or release any rights of the City in and to the streets as provided by state law and the Redmond Municipal Code, nor does the City waive or release any claim or issue of non-compliance it may have, known or unknown, now or in the future, against the Franchisee or any successor in interest to the Franchisee.

Section 4. The City shall not amend, revoke or otherwise alter this Ordinance without providing reasonable prior notice to the Franchisee.

Section 5. If any section, sentence, clause or phrase of this ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 6. This ordinance shall take effect and be fully in force five (5) days after publication of the attached approved summary thereof consisting of the title.

ADOPTED by the Redmond City Council this 17th day of November, 2009.

CITY OF REDMOND

JOHN MARCHIONE, MAYOR

ATTEST:

Michelle M. MCGEHEE, CMC, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY:

JAMES HANEY, CITY ATTORNEY

FILED WITH THE CITY CLERK:

PASSED BY THE CITY COUNCIL:

SIGNED BY THE MAYOR:

PUBLISHED:

EFFECTIVE DATE:

ORDINANCE NO.2499

November 10, 2009

November 17, 2009

November 17, 2009

November 23, 2009

November 28, 2009

ADOPTED 6-0: Carson, Cole, Margeson, McCormick, Myers and Vache